

Monday, May 6, 1985

Advertising Age

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DDB/West's Edler leads Westerners

Richard Edler (l.), incoming president of the Western States Advertising Agencies Assn., says he'll continue the course set by his predecessor, Gerrold Rubin (r.), to try to win greater national recognition for western agencies. (See story on Page 102.)



Upscale cigarette brands smokin' for Morris, RJR

By WILLIAM F. GLOEDE

Philip Morris USA, New York, is about to try out the new-product marketing and testing strategy it embraced earlier this year by experimenting in the upscale cigarette market segment with a new brand and a line extension of its Players brand. Also, rival R.J. Reynolds will repackage its upscale entry, Sterling.

PM on June 3 begins testing Dunhill, a low-tar smoke in both 85mm and 100mm styles, in Atlanta and Phoenix. PM has licensed the Dunhill name from Alfred E. Dunhill Ltd. of London, which will continue to market its premium-price and flat box-

package cigarettes in U.S. hotels and shops.

PM's Dunhill will be made in this country from a "premium" tobacco blend and will use traditional U.S. box packaging. It will sell for the same price as traditional brands. Wells, Rich, Greene, New York, handles.

Also on June 3, PM will begin testing the value-added concept with an extension of its Players line. Players Lights 25s will roll into test in Denver and Des Moines at the same suggested price as 20-unit cigarette packages. Leo Burnett USA, Chicago, handles.

"We've been watching the value-added category for some time, and it's established itself as a franchise," explained a PM spokesman. (Continued on Page 100)

Murdoch to sell 'Voice'; visits FCC

By VERNE GAY and WILLIAM F. GLOEDE

Rupert Murdoch's bankers prepared to put his *Village Voice* on the selling block last week while Mr. Murdoch himself called on the Federal Communications Commission in Washington to discuss his efforts to buy several tv stations from Metromedia.

Informed sources reported Mr.

Murdoch directed Allen & Co., a New York investment banking company, to draw up a prospectus for the sale of the *Voice* for a minimum price of \$55 million. Neither Allen & Co. nor Mr. Murdoch's spokesman would comment on the proposed sale. Mr. Murdoch acquired the *Voice*, New York's alternative newspaper, in early 1977.

As to Mr. Murdoch's broadcasting aspirations, Howard Ruben-

stein, a Murdoch spokesman, issued the following statement: "Negotiations are in progress among Metromedia, Rupert Murdoch, News America, Marvin Davis and 20th Century Fox concerning the transfer of certain Metromedia properties."

Late Friday, it was learned that Mr. Murdoch, an Australian national, will apply for U.S. citizenship to circumvent U.S. law that

would otherwise have prevented more than a 25% ownership of any U.S. tv properties.

John Kluge, chairman of Metromedia, Secaucus, N.J., and something of an empire-builder himself, reportedly has wanted to sell off at least some of the Metromedia stations to amortize the \$1.3 billion debt he incurred in taking his company private last year. Few envisioned Mr. Murdoch as a possible

buyer, because of his foreign birth. The six stations could sell for perhaps \$1.8 billion, exactly double their value when Mr. Kluge and associates bought them in 1984, according to some observers.

Observers had speculated Mr. Murdoch wouldn't challenge the strict foreign-ownership rules the FCC imposed on would-be tv purchasers since 1934. Rather, (Continued on Page 102)

Last Minute News

Metromedia rumors fuel talk of CBS buyout role

New York—Metromedia offices here were abuzz at press time with rumors that chairman John Kluge (see related story above) will sell WCVB-TV, its Boston ABC affiliate, to Hearst Corp. for \$450 million. It would be the biggest tv station sale in history. That rumor fueled further speculation at Metromedia that Mr. Kluge would use the proceeds from the WCVB sale, plus the sale of other Metromedia broadcast and communications properties, to join Gannett Co., Rosslyn, Va., in a cash tender offer for CBS Inc. (AA, April 29). Mr. Kluge could not be reached for comment. CBS would not comment on what it called "speculation." Neither John Conomikes, vp-general manager at Hearst Broadcasting, nor Gannett chairman Allen Neuharth could be reached.

New owners plan ad incentives for 'Us'

New York—Us plans special advertising incentive programs under new owners Straight Arrow Publishers and Telepictures Corp. (AA, April 11). The new partners will spend about \$28 million to buy Us and make improvements to boost circulation and advertising. Jann Wenner, chairman (Continued on Page 8)

Trimmer ABP is renamed

By STUART J. ELLIOTT

PHOENIX—American Business Press is making the most sweeping changes in its 20-year history, from adopting a new name to eliminating its presidency and reducing dues.

Some of the changes, detailed during ABP's 1985 spring meeting here, take effect immediately, such as limiting the operating budget, which was \$2.2 million in 1984-85, to \$1.75 million. Others, such as rechristening the trade publishing organization as the Assn. of Business Publishers—with ABP still as its acronym—require the full (Continued on Page 104)

All-out assault on Big Blue turf Xerox, Compaq pcs bow

An Advertising Age roundup

Despite IBM Corp.'s move to corner yet another niche in the personal computer market by challenging the Japanese with its own line of printers, Big Blue's competitors are fighting back on the home front.

Xerox Corp., a pioneer in the pc market during the early 1980s but a latter-day dropout, bounced back with its first desktop personal computers compatible with IBM's PC.

Houston-based Compaq Computer Corp., which toyed with IBM last year in tv ads featuring British actor John Cleese as a bumbling businessman who made the "wrong decision," is launching an estimated \$25 million ad campaign on behalf of its new Compaq Deskpro 286 and Compaq Portable 286 computers.

And software publisher Microsoft, the company that provides the operating system for the IBM PC, is back in the news on the other side of the fence with its announcement of a forthcoming multifunction program for Apple Computer's Macintosh.

The new Compaq computers, coming from the leader of the "286" (Continued on Page 102)

NEWSPAPER

FAS FAX

DC20014CONGLI
FMJF
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014



Chevy's California limited

General Motors' Chevrolet division is rolling out "designed-for-California" limited-edition cars. The Cavalier (above) is getting a bigger engine, and both the Cavalier and Camaro IROC-Z will be clad in more toned-down styling. Chevy is looking to lure older (40-plus) upscale buyers. The move is part of Chevy's California-only marketing effort to reap a bigger share of the nation's largest automobile market. Vic Olesen & Partners, Los Angeles, is handling a \$1.5 million tv and print campaign.

Landau snipes at Miller

Claims promo bucks not misused

By ROBERT RAISSMAN

NEW YORK—Sports marketing executive Robert Landau has lashed out at Miller Brewing Co., Milwaukee, disputing the brewer's allegations that he diverted money ticketed for Miller promotions in order to buy cocaine, racehorses and luxury apartments.

The counterattack is contained in a deposition filed in Milwaukee federal court to support a motion seeking dismissal of Miller's \$19 million suit against Mr. Landau (AA, Feb. 28).

The deposition is but one development in Mr. Landau's ongoing difficulties. Last week, the California commission of labor standards filed 11 criminal misdemeanor charges against Mr. Landau's former company, Robert Landau Associates.

Nine of the charges were related to allegations of issuing insufficient funds checks to employees who worked for the company's catering operation during the 1984 Summer Olympics. The other two involved allegations of violation of the child labor laws, said Roger Miller, a California labor commission regional manager. Mr. Landau is scheduled to be arraigned on those charges May 16 in Los Angeles.

However, Mr. Landau has begun to regroup. In an interview with ADVERTISING AGE, he said he has formed a new company, International Marketlink, which will be based in Westchester County, N.Y. The company

will be involved in business areas similar to those in which RLA was involved.

RLA is in liquidation proceedings and under the jurisdiction of a trustee of the bankruptcy court.

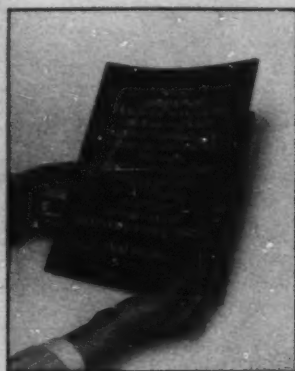
Mr. Landau said he is being backed by an investor group but declined to name his backers until the incorporation process is finished. He said he has begun work on a new-business consulting project for Nadler & Larimer, a Mickelberry Corp. agency. Nadler president-CEO Ricardo Calvillo confirmed the Landau assignment. Mr. Calvillo added that neither he nor the agency nor Mickelberry were involved as investors in Mr. Landau's new venture.

Mr. Landau said Miller's lawsuit has no merit. "I'm totally confident that the Miller suit is totally unfounded and untrue," he said. "It's not something that I'm going to be concerned or worried about. I'm certainly going to address it until it gets decided upon or thrown out of court."

Barry Fredericks, Mr. Landau's attorney, said he has not been made aware by authorities of the charges filed by the California labor commission and could not comment on them.

In his deposition concerning the Miller suit, Mr. Landau said the brewery has chosen to pursue "a vendetta against me personally" by filing charges relating to racketeering and drug dealing. He said Miller filed (Continued on Page 100)

Highlights



BBDQ, Minneapolis, next month gives a new definition of advertising that "pops off the page" with a four-page, pop-up corporate ad for client Honeywell. See Page 6.

The on-again, off-again relationship between Merle Norman Cosmetics and its longtime agency, Liebowitz, Olshaver, Vogel & Baruch, was off again last week. The marketer of cosmetics and personal care products hired Doyle Dane Bernbach/West to handle its estimated \$5 million account. See Page 12.

Real dollar growth in advertising spending in 1984 was the second highest since World War II ended. Advertising grew by about 12% in 1984. See Page 47.

Everyone is creative, but that creativity differs in quality and quantity. Author John Keil examines some myths about creativity in "The Creative Mystique." See Page 48.

CORPORATE CLOSEUP

After recording a 49% increase in net income last year, Tribune Co. is squeezing an even higher 66% earnings increase out of first-quarter revenues this year. It's also plunging ahead with plans to get the most from a wide range of complementary businesses while protecting against any potential takeover bids. See Page 4.

INTERNATIONAL

The use of videocassette recorders is growing so rapidly in Australia it could reach a 60% penetration rate by 1990, according to research for McCann-Erickson. See Page 56.

No one outside Vancouver knows his name, but it's impossible to stroll down Canadian streets without turning a profit for Jim Pattison. See Page 56.

G.D. Searle & Co. has launched a new ulcer-treating drug called Cytotec on the Mexican market that has yet to be approved by the U.S. Food & Drug Administration. See Page 57.

VIDEOTECH

LBS Communications is enjoying yet another hefty upfront barter-syndication season, especially in children's programming and prime time ad sales, says a chief exec. See Page 60.

CATEGORY REVIEW

Seasonal concerns last year helped boost suntan product sales

13%. But protection should neither be limited to four months of the year, nor even to the outdoors, says the \$2 billion cosmetics industry. See Page 70.

DIRECT MARKETING

GRI Corp.'s S.A.V.E., at 10, is doing about \$35 million worth of business a year. Since shipping its first carton of samples in January, 1976, about 750 million products have been shipped. See Page 82.

AT&T is seeking regulatory permission to reimburse high-volume users to establish and promote their own 900-number programs. See Page 86.

COMING THURSDAY

SPECIAL REPORT

Appealing to the affluent takes special positioning and careful references to fantasies, status, emotion and other abstract qualities. Some tactics marketers use to reach this audience are studied in the Special Report on Marketing to the Affluent.

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Cable, Seagram taking ads where nets fear to tread

By GAY JERVEY

NEW YORK—Several cable networks reportedly have assured Joseph E. Seagram & Sons they would accept the company's controversial equivalency messages the three major tv networks have rejected.

They reportedly include Cable News Network, MTV: Music Television, the USA Network and Financial News Network, plus Atlanta superstation WTBS.

"We're waiting for the budget to be approved" by Seagram, said John Meskil, exec vp-media & administration at Warwick Advertising, which is handling the campaign. "Then we will be able to run a representative cable schedule."

Sources in the cable industry indicate a great deal will depend on the strength of Seagram's dollar commitment. "This isn't just any run-of-the-mill ad," said one cable executive. "Along with it could come a lot of headaches, so we're all pretty insistent that they're in here to stay, not just as a one-shot deal to get some attention."

The campaign, which equates the alcohol content of beer, wine and distilled spirits, has caused a stir among critics who feel it is a veiled attempt to sell hard liquor on the airwaves.

ABC, CBS and NBC all refused to carry the commercial, saying it violates their policies banning distilled spirits advertising (AA, (Continued on Page 102)

Diet Coke back for a second 'taste'

By NANCY GIGES

Coca-Cola USA's return to the "Just for the taste of it" campaign for Diet Coke is going almost unnoticed with so much attention devoted lately to flagship brand Coke.

The highly successful earlier theme is back in new Diet Coke commercials breaking this week

Observers at odds over Coke's "big gamble"—Page 100.

via SSC&B, New York. Officials had said earlier spots introducing the theme, and replaced in December, "had served their purpose," giving the impression that the theme was gone forever. But now they deny there was any intention

to drop the campaign.

Coca-Cola USA, Atlanta, shifted last December to a new theme, "It's one of a kind," when Diet Coke was reformulated with 100% NutraSweet from a saccharin/NutraSweet blend.

Sergio Zyman, senior vp-marketing, Coca-Cola USA, said that burst of comparative advertising is over: "We wanted to make a major statement about the brand when it switched to 100% NutraSweet." Now, he said, it is time to go back to the strategy of "indulgence, fun and lightness."

The new spots feature a host of celebrities, including rock star Chuck Berry, dancer Gene Anthony Ray, rock band Devo, actress Andie MacDowell, wrestler Sergeant Slaughter, comedians (Continued on Page 100)

Who's winning in newspaper wars

ACB Bureau of Circulation's FAS-FAX report for the six months ended March 31 showed gains among major-market newspapers—generally in the 2% range—over average circulations of a year earlier. Below are figures in fact report compiled from publisher's statements. Denver Post, Baltimore Sun, Arizona and Houston Post figures not available to ABC, making comparisons in their cities unreliable. (The New York Post does not publish on Sunday. Sunday figures for the San Francisco Chronicle and Examiner are combined. Source: Audit Bureau of Circulations.)

Newspaper	Daily circulation 2/31/85	Change	Sunday circulation 3/31/85	Change
New York				
Daily News	1,380,965	+ 1.2%	1,773,676	- 2.2%
Post	801,213	- 8.4%	None ¹	None ¹
Times	1,013,211	+ 4.4%	1,623,562	+ 1.9%
Los Angeles				
Herald Examiner	237,434	+ 0.3%	213,696	- 0.3%
Times	1,089,564	+ 1.1%	1,332,136	+ 0.8%
Chicago				
Sun-Times	630,187	+ 1.7%	690,904	+ 0.5%
Tribune	775,884	+ 1.8%	1,165,605	+14.4%
Detroit				
Free Press	646,478	+ 2.4%	778,178	- 1.2%
News	885,949	+ 1.5%	884,763	+ 2.7%
Boston				
Globe	610,987	+ 0.1%	802,891	+ 1.2%
Herald	388,027	+13.2%	308,823	+11.8%
San Francisco/Oakland				
Oakland Tribune	150,336	+ 1.5%	148,033	+ 0.5%
S.F. Chronicle	554,979	+ 2.8%	717,426 ²	+ 1.8%
S.F. Examiner	151,758	- 0.4%	717,426 ²	+ 1.6%
Dallas				
News	388,883	+10.2%	476,004	+10.2%
Times Herald	241,055	- 6.3%	345,932	- 1.1%

FAS-FAX has good reading for big dailies

By WILLIAM F. GLOEDE
and GARY LEVIN

The Pulitzers of St. Louis and Rupert Murdoch appear the biggest winners, while Gannett Co. and Rupert Murdoch look like the biggest losers in the March 31, 1984, FAS-FAX report on newspaper circulation.

The FAS-FAX report, released last week by the Audit Bureau of Circulations, generally augurs well for major-market daily newspapers. The larger, more marketing-oriented dailies, such as the New York Times, reported circulation gains, with several showing particularly healthy increases. However, in competitive markets, these increases often came at the expense of the second newspaper.

In Boston and Chicago, the ABC figures showed that newspaper readership over-all is up, a development that can only bring smiles to

Squabble in Louisville

Members of the Bingham family, the owners of the Louisville Courier-Journal & Times Co., forced Sallie Bingham (r.) off the board of directors in 1983. It was not an amicable parting and may lead to the sale of one of the last major-market, family-owned newspapers in the country. (See story on Page 94.)



the faces of publishers in an industry that has seen circulation remain generally flat for two decades. Nationwide, newspaper circulation is reported at an all-time high, and with newspapers focusing more and more on product marketing, those figures are likely to continue rising.

Combined circulation results for the major dailies were up slightly in New York (plus 0.2% over the year-ago period), Chicago (plus 1.7%) and Los Angeles (plus 1.2%).

Gannett's USA Today's circulation fell 9.4% from March 31, 1984, and the same date in 1985. However, 1984's 1,284,613 figure was a three-month average for the 13-week period ending March 30, while this year's 1,162,806 is a six-month average. The figure contained in the ABC's initial audit of USA Today, based on the 13-week period ending Dec. 31, 1983, was 1,138,030.

Meanwhile, the Pulitzer-owned St. Louis Post-Dispatch gained a whopping 7.6% in daily circulation, to 273,784, while posting a smaller percentage gain of 1.2% on Sundays, to 495,111.

The competing (and financially troubled) Globe-Democrat's figures were not approved for release by the ABC.

Rupert Murdoch's New York Post, which had been showing strong

(Continued on Page 94)

Chicago Fair sets \$44 million for ads

By PAT MCGEEHAN

The proposed 1992 Chicago's World's Fair could be worth as much as \$44 million for the agencies involved, ADVERTISING AGE has learned.

The fair's organizers also hope to take some lessons from last year's financially successful Olympic Games in Los Angeles—including using off-site venues and selling worldwide tv packages.

The preliminary operating budget the Chicago World's Fair 1992 Authority is expected to release this week indicates that advertising represents about 42% of the proposed over-all marketing allocation of \$104 million. Much of the remaining \$60 million will be spent lining up international participants and corporate sponsors and for booking sporting and cultural events.

The decision to appropriate nearly 30% of the fair's total budget for marketing reflects the fair

planners' philosophy: Get the word out early and often.

John Kramer, the authority's general manager, said he thinks "previous world's fairs have not done an adequate marketing job." He cited as an example the 1984 fair in New Orleans, which began

ink of past fairs is seen as crucial to getting necessary funding from the Illinois legislature. That body will decide next month whether to provide funding to proceed with the fair.

Three Chicago agencies—Foote, Cone & Belding, Leo Burnett USA

CHICAGO 92

Age of Discovery



running ads about three months before it opened, and characterized the effort as "too little, too late."

The authority's financial director, Mark Gordon, stressed that the working budget is "very preliminary." But, he added, the marketing allocation shows that "we don't want to repeat the mistakes of smaller fairs like New Orleans."

The authority's ability to convince critics it can avoid the red

and Needham Harper Worldwide—have done some pro bono work for the authority since its inception in 1978. Most of the work involved preliminary market research and attitudinal studies. While Mr. Kramer said selection of an agency to handle attendance advertising is "a few years down the road," he expects a marketing effort targeted to potential exhibitors to begin by

(Continued on Page 101)

Tartikoff sees 'incredibly tight' ratings race

NBC aims for No. 1

By JAMES P. FORKAN

NEW YORK—NBC Entertainment president Brandon Tartikoff, first out of the gate with a new fall prime time tv schedule, predicted "an incredibly tight race" for the 1985-86 prime time A.C. Nielsen Co. ratings crown.

Ignoring ABC, the ratings-plagued also-ran that is to announce its lineup today, Mr. Tartikoff told several hundred agency buyers at a Waldorf-Astoria breakfast that NBC and CBS will be "fierce" competitors this fall. NBC's "balanced menu of programming" will, he said, build on the turnaround success of last season, when NBC gained on every night. "Clearly, the momentum is with us."

NBC, as expected, is replacing four hours from last year's schedule (four dramas, two comedies)—"the least amount of change NBC's had in 15 years," he boasted. A year ago, NBC had to ax 7½ hours. Five of last fall's nine freshmen shows are being renewed, he added. A Ted Bates Advertising/New York report said NBC could have gone as high as 5½ new hours for fall.

CBS, to announce its new slate May 10, remains confident of victory in the 1985-86 Nielsen households

battle. CBS, having taken its sixth straight Nielsen ratings title, largely on the strength of its weekly series, needs to replace only three hours, although agencies such as Dancer Fitzgerald Sample; Foote, Cone & Belding, and Young & Rubicam USA agreed that could swell to five hours, if it replaces its disappointing Wednesday movie.

Shortly before NBC's schedule announcement, David Poltrack, vp-research, CBS/Broadcast Group, forecast that CBS would win the 1985-86 season by 1.1 ratings points over NBC, a greater margin than last season.

ABC, coming off its worst season in a decade, needs at least five hours of new product, according to a fall analysis from FCB's FCB/Telecom, Chicago. Others, such as Y&R and Bates, felt ABC should replace as many as eight or nine hours.

Stressing "stability, momentum and innovation," Mr. Tartikoff said 15 of NBC's 18 returning series will remain in their current slots—including "Hunter" and all its other 10 p.m. (ET) incumbents. NBC's strong Monday, Tuesday and Thursday shows will remain

(Continued on Page 100)

Dairies to wean D'Arcy?

By JULIE FRANZ

MADISON, WIS.—A \$5 million piece of the dairy business handled by D'Arcy MacManus Masius, Chicago, has been put up for review by the Wisconsin Milk Marketing Board.

WMMB said last week D'Arcy enters the review for its cheese-promotion assignment a clear front-runner after having held the account for the past year. D'Arcy-produced spots promoting Wisconsin cheese break next month.

"Anyone who wants to replace D'Arcy will have to be very, very

(Continued on Page 101)

World News Roundup

SYDNEY—United Airlines' announcement that it will purchase Pan American's Asia/Pacific routes has raised the client-conflict issue here. United's local agency, Lawrence Burnett Pty., may find its sister agency here, Leo Burnett Pty., has a conflict with client Cathay Pacific. Pan Am is handled here by Garland Farwagi Stewart, a local agency.

LONDON—General Mills is introducing Jump moist granola bars in the U.K. with a \$3 million campaign via Humphreys Bull & Barker.

BRASILIA—The Brazilian government has asked the justice ministry to draw up a bill "as soon as possible" to prohibit firearm ads.

PARIS—Cable tv is expected to reach 100,000 Parisian households by the end of next year, says Paris Mayor Jacques Chirac, who predicts 1.2 million hookups by 1992.

ROME—The use of children in tv commercials is expected to increase dramatically now that state-run broadcasting company RAI has relaxed its prohibition against children being the focus of tv spots.

SAO PAULO—Paramount Pictures and Universal Studios are providing the first alternative to pirated videocassettes in Brazil by signing with an exclusive videotape distributor, CIC Video. CIC is introducing an 11-film package directed at video clubs.

BRUSSELS—The European Economic Community has asked the Dutch government to drop restrictions preventing "advertis-

(Continued on Page 56)



A total of 550 people labored for six months to produce Honeywell's pop-up corporate print ad. The hand-assembled, die-cut insert—which is scheduled to make its first and only appearance in the June 3 issue of *Business Week*—cost approximately \$1 million. The ad was created by BBDO, Minneapolis.

SCRATCH PADS

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BBDO, Paper Conversion Inc.

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Syracuse, NY 13211 (315) 437-1841



NOTE CUBES

Edge-printed cubes sell products & services via a unique 4-color process

BBDO, International Cube Co. Inc.
6758 Thompson Rd. N. Dept. C
Syracuse, NY 13211 (315) 437-9812



Honeywell pops for \$1 million ad

By SCOTT HUME

BBDO, Minneapolis, next month gives a new definition of advertising that "pops off the page" with a four-page, pop-up corporate ad for client Honeywell.

Guaranteed to make admakers' eyes pop is the approximately \$1 million cost for the labor-intensive ad, the first and only appearance of

which will be in the June 3 issue of *Business Week*.

The first of the four pages contains this rather copy-heavy introduction against a black background: "So our customer said, 'How in the world can we automate six different kinds of manufacturing, create one database for 2,603 users, control everything from energy to security in 120

buildings and then tie it all together under one complete system?' And we said..."

When the reader turns the page to the color spread, up pops a 6-in.-high, five-story glass headquarters for a mythical paper-products company. Surrounding the headquarters building is a corporate park that includes a paper-products mill and manufacturing and distribution center (minus roofs so that activities inside the buildings can be seen in surprising detail). Across the top is the theme "Together with Honeywell."

"This is the first time we've done corporate advertising that stresses the integration of all Honeywell's divisions," said Jim Read, senior vp-advertising director for the Minneapolis-based company. "In the past we've advertised the information, building controls and communications divisions' products separately, but not the interfacing of those systems."

The ad will appear in the full run of *Business Week*, with its 856,000 circulation. With overage allowances for copies spoiled in printing and Honeywell's desire to have several thousand to use for internal projects and a direct-mail campaign later, about 1 million copies of the four-page ad have been produced.

What backed up the schedule was the need for each pop-up spread to be hand-constructed, a process requiring 20 different glue points.

"For what we're spending, we could have bought two 30-second spots on the Super Bowl," Mr. Read said, "but I doubt that would have had more impact than this."

"I certainly wouldn't want to have to rationalize this ad on a cost-per-thousand basis," said Tom Wolf, BBDO vp-management supervisor on the account. "But we needed to do something that would draw attention to our message, and on that basis I'm confident we've succeeded."

Returning to the drawing board in November, art director Rich Nead and copywriter Ann Olson saw creative use of pop-ups in a children's book and suggested that approach. The agency created a solid mockup of the proposed ad. Mr. Wolf, senior vp-creative director George Hermelink and account supervisor Jennifer Grismer then ran it by Honeywell executives.

"They loved it, which I think was a pretty gutsy move by a conservative company—and I mean that as a compliment," Mr. Hermelink said. "They're a company that is well known and respected in its niche, but which has kept a fairly low mass-market profile. But they supported the idea from the start."

The agency brought in illustrators Dave Olmstead (who worked on the tower) and Jan Wellem Boer (who concentrated on the mill buildings) to do the artwork, which took 3½ weeks. Production manager Emmett Morgan took it from there, working with Intervisual Communications, Los Angeles, the design and assembly supplier.

The BBDO team said it considered using a microchip in its print ad, an approach competitor IBM Corp. recently used in France to create an ad that lights up and plays music (AA, April 25). They rejected it, Mr. Wolf said, because it was "too great a stretch." It didn't tie constructively to what our client produces. I'm not sure that ad ties to what IBM does, either."

IBM's musical ad cost \$2 apiece to produce; Honeywell's, about \$1.5

CORRECTIONS & CLARIFICATIONS

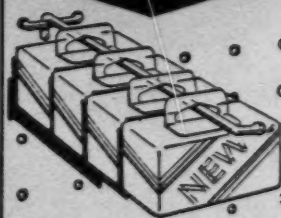
• Minneso'a Opinion Research Inc., Minneapolis, conducted the media credibility survey for the American Society of Newspaper Editors (AA, April 22, P. 118). An article misidentified the company as Media Opinion Research. Clarifying another aspect of the report, the survey found 24% of respondents said paid ads contained more opinion than the rest of the daily newspaper with which they were most familiar. 62% said the paid ads carry "about the same" degree of opinion and 14% found them to contain "less opinion." The article incorrectly attributed those percentages to readers who wanted more, about the same and less opinion, respectively, in paid ads. #

Smart, Buick!
Smart, Cadillac!
Smart, Ford!
Smart, Jaguar!

You know that 25.3% of our almost one million readers own three or more late model cars. And you know they earn

HANG TOUGH!

Create a 5th panel using our line of plastic HANG TABS to hold your packages on pegboard hooks



Another place to get your product up at the point-of-sale!



CALL OR WRITE FOR SAMPLES
BROCHURES OF ENTIRE LINE
OF DISPLAY HARDWARE
AVAILABLE AT NO CHARGE

Fasteners For Retail
12 Alpha Park, Cleveland, Ohio 44143
(216) 473-8919

Final figures: 1984 ad spending up 16%

By ROBERT J. COEN
Senior vp,
McCann-Erickson

Final figures for 1984 U.S. advertising confirm what had been expected ever since the current economic expansion started two years ago.

A year ago it was apparent that with 1984 being an election and Olympic year following immediately after the beginning of a strong economic recovery, we could be assured of excellent ad spending increases. In terms of advertising revenues, this resulted in a \$12 billion-plus surge for this industry, representing 16% growth.

A year ago, the only caution about 1984 related to the possibility of a slackening in the economy and a moderation of some ad budget increases after the exceptional gains posted in 1983, but we still expected a very healthy growth of 14%. The final returns now show an increase that exceeds 16%, which is even more outstanding in light of last year's relatively low inflation rate.

Therefore, the real dollar growth in advertising spending in 1984 was the second-highest since the end of World War II. In constant dollars, advertising grew by about 12% in 1984, compared with the record, in recent history, of slightly more than 13% in 1976, also an Olympic year and a year of strong economic recovery, which was also our country's bicentennial.

The slight hesitation in the economy in one quarter of 1984 had practically no influence on ad budgets, except for a few isolated cases. Established national marketers increased their activity in '84 and new products and new marketers appeared to add more steam to the expansion. Local retailers returned to much heavier promotional activity last year as their business optimism improved in direct relation to better consumer sales levels.

New media breakouts

This year, for the first time, an advertising spending figure for the cable tv medium is shown separately in the advertising volume table. Previously, any money spent for advertising on cable feeds was included in the miscellaneous category. Although cable ad revenues are still relatively small and reporting on them is still limited, it is felt they will grow significantly in the next few years and, therefore, should be monitored and reported separately.

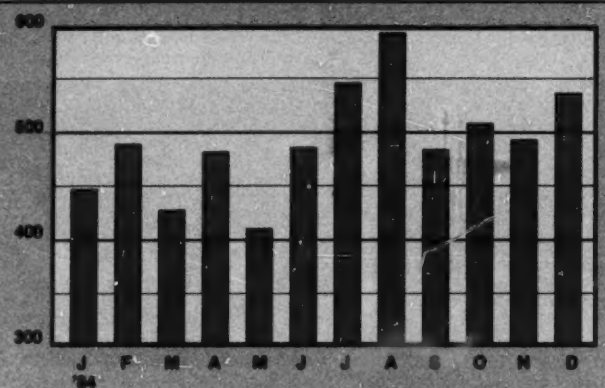
Another media sector that has been gaining significant advertising is barter-syndication. The producers of certain syndicated programs retain some commercial time slots in return for reduced program charges to the carrying stations.

Essentially, spot tv commercial time on a station is bartered for tv program material. The syndicated program's producers sell the retained commercial time directly to national advertisers. These barter-syndicated ad dollars were not previously reported by the stations as spot tv advertising revenue, and they were assumed to be covered by our miscellaneous estimate. Now we have developed estimates of the ad revenues that are spent in this sector, and the figures are reported separately.

Barter-syndication is a signif-

National advertising index - 1984

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of net tv, spot tv, magazines and newspaper expenditures by national advertisers, and 1967=100. Source: McCann-Erickson



Month	General Index	Net TV	Spot TV	Mag.	News
January	477	502	559	361	347
February	489	653	534	365	338
March	435	512	520	365	308
April	473	545	570	393	351
May	403	551	567	365	334
June	482	548	617	386	351
July	543	656	613	470	374
August	589	841	625	410	376
September	481	587	590	389	308
October	506	572	621	433	365
November	484	550	582	386	397
December	528	588	625	447	431
Average	486	592	585	366	357
Change over 1983	+18%	+23%	+21%	+17%	+11%

icant new development on the media scene, and it is growing quite rapidly. The reported estimates have been derived from extremely limited hard-data sources, and they can hardly be described as much more than horseback guesses.

It's hoped that interested professionals involved with barter-syndication will finance the development of more objective measurements of the true dimensions of this new sector so that we can track its development accurately.

However, there is an upper limit to the amount of station time available for bartering and, if reliable measurements cannot be provided, it will be fairly easy to adjust the miscellaneous category estimate to accommodate its approximate size.

Post-Olympics broadcasting

As 1985 unfolds, many of the broadcast media are being forced to compare their ad growth with last year's exceptional performance. Post-Olympic broadcast advertising traditionally slows down simply because of the exceptional performance in the previous year.

Although it was expected that last year would turn out to be a good year for the broadcast media—especially network tv—because of the Olympics and the election campaign, the performance of all sectors of tv far outpaced expectations.

In dollar terms, this meant a 21.5% increase in revenues for the network tv medium. That's the best yearly performance since 1976, when advertising figuratively exploded after stagnating in the early half of the 1970s due to various economic and political conditions. In contrast, the exceptional performance for net tv in 1984 came on top of a string of very good prior growth years.

Local ads and the consumer

Before 1983, local retail advertising and classified volume performed sluggishly but then turned upward in '83 and '84. The excellent performance in terms of local newspaper and local broadcast advertising in 1984 is explained by the strong consumer economy and the reappearance of intense competition for the consumer's personal spending in the local marketplace.

In 1985, consumer spending should be up in real terms. The stronger sector in total ad spending in '85 probably will result from the continued momentum in advertising promotions at the local level combined with further growth in classified-help-wanted and real estate activity.

Caution for national ads

National marketers have increased their budgets at an exceptional pace for the last two years. The total economy in 1984 rose nearly 7% in real terms and in current dollars by close to 11%, but advertising continued to take on a more important role in the marketing process as it again far outpaced economic performance.

However, a more cautious outlook is suggested for this year.

The economic recovery, which got under way more than two years ago, is beginning to show signs that it is running out of steam. In 1985, many national marketers are beginning to anticipate waning profit expectations, and they are viewing their ad budget increases with growing concern.

Nevertheless, we probably shall experience some unanticipated new advertising demand, as we have nearly every year for almost a decade.

New-product plans and intro-

U.S. advertising volume

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of net tv, spot tv, magazines and newspaper expenditures by national advertisers and they are all based on the year 1967, which is equal to 100. Source: Robert J. Coen, McCann-Erickson Inc.

Medium	1983 Millions of dollars	Per cent of total	1984 Millions of dollars	Per cent of total	Per cent change
Newspapers					
National	2,734	3.6	3,007	3.4	+10.0
Local	17,848	23.5	20,737	23.5	+16.2
Total	20,582	27.1	23,744	26.9	+15.4
Magazines					
Weeklies	1,917	2.5	2,224	2.5	+16.0
Women's	1,056	1.4	1,209	1.4	+14.5
Monthlies	1,280	1.7	1,499	1.7	+19.0
Total	4,233	5.6	4,932	5.6	+16.5
Farm publications	163	0.2	181	0.2	+11.0
Television					
Network	7,017	9.3	8,562	9.7	+21.5
Spot	4,796	6.3	5,453	6.2	+13.7
Syndicated barter	300	0.4	400	0.5	+33.3
Cable (national)	320	0.4	400	0.5	+25.0
Local	4,323	5.7	5,055	5.7	+17.0
Cable (local)	30	0.0	40	0.0	+33.3
Total	16,786	22.1	19,874	22.6	+18.4
Radio					
Network	296	0.4	316	0.3	+7.5
Spot	1,038	1.4	1,197	1.4	+15.3
Local	3,876	5.1	4,300	4.9	+11.0
Total	5,210	6.9	5,813	6.6	+11.6
Direct mail	11,795	15.6	13,800	15.7	+17.0
Business papers	1,990	2.6	2,270	2.6	+14.0
Outdoor					
National	512	0.7	552	0.6	+9.8
Local	282	0.4	310	0.4	+9.8
Total	794	1.1	872	1.0	+9.8
Miscellaneous					
National	7,331	9.6	8,546	9.7	+16.5
Local	6,966	9.2	8,048	9.1	+15.5
Total	14,297	18.8	16,594	18.8	+16.1
Total					
National	42,525	56.1	49,590	56.3	+16.6
Local	33,325	43.9	38,490	43.7	+15.5
Grand total	75,850	100.0	88,080	100.0	+16.1

ductions already on the drawing boards are not likely to be affected by a gradual moderation in the rate of economic expansion. Much of last year's momentum will continue this year, and advertising growth should still manage to outpace economic growth.

In summary

The final figures for 1984 prove that it was one of the best growth years for U.S. advertising since the end of World War II. Ad spending rose by \$12.2 billion to \$88.08 billion—an increase of 16.1% over 1983. Although the increase is well below the record gain of 19.4% in 1976, the differential nearly disappears when we adjust for a much lower rate of inflation in '84 than

in '76. Last year was definitely a boom year for advertising, and a more moderate growth rate must be expected for 1985.

We do not expect last year's boom to be followed by a bust, but we look for a much closer relationship between economic growth and advertising growth.

In spite of these cautions, it appears very likely that advertising growth will still manage to outpace the expected growth of 7.5% to 8% for the gross national product in 1985.

Ad spending probably will rise by close to 10% in 1985, with the grand total for all media rising to more than \$96 billion. In 1986, the U.S. ad industry will pass the \$100 billion level.

'SI' gets Vedder award

CHICAGO—Sports Illustrated continued the Time Inc. "tradition" by winning the second annual Blair Vedder Award sponsored by Needham Harper Worldwide.

The company's flagship magazine—Time—won the award last year.

The award honors magazines offering advertisers "the most innovative, flexible and imaginative" way to match marketing needs with the publication's editorial environment.

Mike White, senior vp-media

director at Needham here and one of seven judges in the competition, cited SI's Olympics preview issue as one example of advertiser tie-ins: Those who bought space in the issue also were given trips and tickets to the Olympic Games for clients and salesmen.

Sports Illustrated has chosen Northwestern University's Medill School of Journalism, Evanston, Ill., as the recipient of its \$1,000 award money.

Other finalists were Bon Appetit, Parade and Southern Living.

Newspaper Advertising MRCS/SAU Inches

February 1985 vs. February 1984

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
ALBANY, NY				
Albany Journal (E)	76,587	—	90,790	—
Albany Journal (S)	81,516	—	60,078	—
Grand Total	158,103	—	150,868	—

NOTE: Part run figures not available.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
ALBANY, NY				
Albany Journal (M)	152,371	37,467	140,790	33,967
Albany Journal (E)	150,253	31,430	136,399	46,727
Albany Journal (S)	121,415	94,229	113,556	43,542
Albany Journal (Sat)	33,931	—	31,538	—
Grand Total	457,970	163,086	422,283	124,236

NOTE: Constitution Morning and Journal Evening published five days a week only.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
BALTIMORE, MD				
News-American (S)	29,720	5,477	30,336	1,430
News-American (E)	31,895	4,553	43,580	6,966
Sun (M)	90,080	6,176	107,902	8,988
Sun (E)	74,752	6,176	90,902	7,121
Sun (S)	135,011	24,573	120,173	22,960
Grand Total	364,458	52,955	382,893	47,615

NOTE: Sun Morning and Sun Evening started publication of a combined Saturday edition effective March 24, 1984. The activity is shown only in the Sun Morning listing.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
BENSON COUNTY, NJ				
Record (E)	127,833	16,740	130,145	19,955
Record (S)	136,406	20,003	128,231	19,970
Grand Total	264,241	36,743	258,376	39,925

NOTE: Record Evening published five days a week only.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
BOSTON, MA				
Herald (M)	42,337	—	39,610	—
Herald (S)	19,129	18,788	26,144	3,165
Globe (M)	116,554	4,329	125,425	6,164
Globe (S)	153,022	13,182	156,106	10,822
Grand Total	331,042	26,299	341,285	20,151

NOTE: Globe changed from All Day publication to Morning publication effective April 2, 1984.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
BUFFALO, NY				
News (AD)	87,578	18,366	96,980	13,009
News (S)	40,504	19,289	42,788	14,353
Grand Total	128,082	37,655	141,777	27,362

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
CARLETON, NJ				
Courier-Post (E)	88,400	16,096	98,961	14,966
Courier-Post (S)	51,044	1,832	50,503	—
Grand Total	139,444	17,928	149,464	14,966

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
CHARLOTTE, NC				
News (E)	65,610	—	71,948	—
Observer (M)	102,932	—	101,369	—
Observer (S)	80,556	—	58,237	—
Grand Total	229,098	—	231,554	—

NOTE: News Evening published five days a week only. Part run figures not available.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
CHICAGO, IL				
Sun Times (M)	111,495	53,368	120,346	53,910
Sun Times (S)	51,538	24,519	55,019	26,363
Grand Total	163,033	77,886	175,365	80,273

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
CINCINNATI, OH				
Enquirer (M)	127,031	5,216	132,673	9,825
Enquirer (S)	90,320	6,349	90,343	1,272
Post (E)	55,333	15,950	61,419	10,765
Grand Total	272,684	27,515	284,435	21,862

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
CLEVELAND, OH				
Plain Dealer (M)	118,746	15,808	126,645	21,111
Plain Dealer (S)	75,617	4,540	78,482	4,657
Grand Total	194,363	20,348	205,127	25,768

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
DALLAS, TX				
News (M)	251,924	12,720	261,429	11,654
News (S)	154,498	7,035	148,006	14,123
Times-Herald (AD)	202,427	14,740	235,737	13,398
Times-Herald (S)	110,488	7,067	117,568	22,340
Grand Total	719,337	41,562	763,740	61,515

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
DEVER, CO				
Rocky Mt. News (M)	250,146	920	251,062	520
Rocky Mt. News (S)	78,055	967	67,030	401
Post (M)	146,900	5,063	147,000	12,440
Post (S)	105,181	1,785	115,327	38
Grand Total	580,282	8,685	581,820	13,407

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
DETROIT, MI				
Free Press (M)	79,681	27,071	84,436	32,919
Free Press (S)	35,701	23,912	38,401	13,316
News (AD)	119,091	29,561	108,947	25,004
News (S)	77,952	19,667	76,236	13,134
Grand Total	312,425	100,211	307,920	84,373

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
FORT LAUDERDALE, FL				
News & Sun Sentinel (S)	111,584	33,950	116,986	27,611
Sun Sentinel (M)	306,480	61,542	331,830	55,479
Grand Total	417,964	95,492	448,816	83,090

NOTE: 1985 part run and 1984 full run and part run figures supplied by publisher to Media Records. Morning figures include the Saturday Edition.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
FORT MYERS, FL				
Journal Gazette (M)	56,836	—	66,094	—
Journal Gazette (S)	53,193	—	46,486	—
News-Sentinel (E)	69,698	—	76,776	—
Grand Total	179,727	—	189,356	—

NOTE: Part run figures not available.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
GREENWICH/STAMFORD, CT				
Time (E)	67,262	—	70,777	—
Time (S)	46,338	—	41,432	—
Advocate (E)	62,631	1,861	62,668	—
Advocate (S)	47,579	—	43,235	—
Grand Total	243,810	1,861	247,522	—

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
HARTFORD, CT				
Courant (M)	119,158	24,394	123,191	22,850
Courant (S)	71,794	73,319	71,777	65,840
Grand Total	190,952	97,713	194,968	88,690

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
HONOLULU, HI				
Advertiser (M)	101,298	—	128,725	—
Star-Bulletin (E)	104,277	—	115,953	—
Star-Bulletin & Advertiser (S)	64,101	—	66,506	—
Grand Total	269,676	—	311,184	—

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
HONOLULU, HI				
Chronicle (AD)	290,725	32,783	307,866	32,196
Chronicle (S)	122,531	32,675	129,534	24,242
Post (M)	157,910	33,206	186,860	20,950
Post (S)	59,604	29,718	68,377	23,769
Grand Total	630,770	128,382	702,177	101,156

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
LONG BEACH, CA				
Press Telegram (M)	93,314	—	97,878	—
Press Telegram (S)	45,908	—	46,995	—
Grand Total	139,222	—	144,873	—

NOTE: Part run figures not available.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
LONG ISLAND, NY				
Newsday (E)	140,624	38,129	147,372	35,745
Newsday (S)	79,272	79,158	80,240	53,229
Grand Total	220,096	117,287	227,612	88,974

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
LOS ANGELES, CA				
Times (M)	256,513	236,798	267,458	190,586
Times (S)	163,549	73,725	160,359	77,042
Herald-Examiner (M)	51,417	16,261	48,163	13,618
Herald-Examiner (S)	11,077	3,337	13,337	6,318
Grand Total	482,556	324,121	489,317	287,545

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
LOS ANGELES/SAN FERNANDO VALLEY, CA				
News (M)	171,210	23,203	161,106	14,063
News (S)	72,256	7,530	65,759	3,344
Grand Total	243,466	30,733	226,865	17,407

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
LOS ANGELES/TORRANCE, CA				
Breeze (E & S)	171,927	—	167,739	—
Grand Total	171,927	—	167,739	—

NOTE: Figures supplied by publisher to Media Records.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
LOUISVILLE, KY				
Courier Journal (M)	78,604	30,268	68,844	40,271
Times (E)	80,190	45,352	72,637	67,951
Courier Journal (S)	91,031	38,409	51,992	38,925
Grand Total	249,825	114,029	193,473	147,147

NOTE: Figures supplied by publisher to Media Records.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
MIAMI, FL				
Herald (M)	162,968	—	170,783	—
Herald (S)	100,548	—	85,653	—
News (E)	61,333	—	63,944	—
Grand Total	324,849	—	320,480	—

NOTE: Part run figures not available.

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
MINNEAPOLIS, MN				
Star & Tribune (AD)	66,964	16,396	89,050	18,585
Star & Tribune (S)	173,870	2,388	110,278	698
Star & Tribune (Sat)	69,880	—	21,070	—
Grand Total	220,714	18,784	220,398	19,283

	1985		1984	
	Full Run	Part Run	Full Run	Part Run
NASHVILLE, TN				
Banner (E)	63,903	—	57,327	—
Tennessee (M)	62,726	—	64,379	—
Tennessee (S)	66,610	—	62,131	—
Grand Total	193,239	—	183,837	—

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ				
Home News (E)	72,571	87	---	---
Home News (Sun)	59,681	379	---	---
Grand Total	132,252	466	---	---

Bingham battle rattles Louisville media

By WILLIAM F. GLOEDE

In Kentucky, a land of grace, gentility and gender gaps, Sallie Bingham does not fit in.

Though she is graceful and something of an aristocrat by birth, she's also a feminist. When her father and brother forced her and her sister off the boards of directors of the family publishing, broadcasting and printing companies in 1983, she deplored the ousters as sexist and decided to act, regardless of the kinships or the future of the family businesses.

The result has been a genteel but bitter family squabble over the Bingham companies that Ms. Bingham's broker believes could lead to the sale of one of the last major-market, family-owned newspapers in the country. Ms. Bingham is trying to sell her approximately 18% share in the family companies, though no buyers have yet come forth.

Others, however, believe none of the other family members would even entertain offers to purchase the family companies.

The Bingham family owns the Louisville Courier-Journal & Times Co., which publishes the *Courier-Journal* and *Louisville Times*; WHAS Inc., which operates WHAS-TV and WHAS (am and fm), and Standard Gravure Co., a major printing company in the Southeast. All of the holdings are based in Louisville.

"I made it clear to everybody in the family that I was not going to take this lying down," she said in an interview with *Advertising Age*.

She hired Shearson Lehman/American Express to evaluate her holdings shortly after she was voted off the board of directors in late 1983. She believes she was voted off the board in a sexist maneuver that was designed to strengthen the board of directors—with men. The men in the family, she believes, look upon their female relatives as "the girls" who "are interested only in money."

Shearson, after evaluating her holdings, came in with a figure of \$21 million, discounted 60% because it represented a minority position, she said.

Ms. Bingham, 48, considered that too low. More recently, she hired John Morton, newspaper analyst with Lynch Jones & Ryan, Washington, to reevaluate the worth of her holdings. He put a figure of \$42 million on her stake.

"I assumed the family would buy

me out," she says. But the Bingham did not. They rejected her offer, and posed none of their own. This was, she says, "a gross error in judgment."

The three companies, by the estimate of Ms. Bingham's broker, Henry Ansbacher Associates, New York, are worth between \$420 and \$470 million.

Her 18% stake, as a minority position in the companies, includes only 5% of the voting stock and would not necessarily be worth the \$82 million-to-\$92 million price tag Ansbacher has attached to her holdings, unless someone else in the Bingham family—or the lawyers that control stock that is held in trust for fourth-generation Bingham progeny—follows her lead and sells. That's what Ansbacher and Ms. Bingham believe may happen. Others who are close to the family, however, believe it is Ms. Bingham's impossible dream.

Ms. Bingham said she believes "it's a possibility" that her sister, Eleanor Bingham Miller of Louisville, may be willing to sell her 18% stake, portions of which also are in trust. Ms. Miller could not be reached for comment.

Ms. Bingham said when Barry Bingham Sr., the 79-year-old chairman of the companies, acted earlier this year to consolidate the voting shares in the company in a trust he controlled, Ms. Miller "made it perfectly clear she would not sign it if she couldn't sell."

That trust, however, controls only the election of members of the board of directors. Ms. Bingham's sister-in-law, Joan Bingham, the publisher of *Washington Weekly*, controls another 18% of the companies' stock in a trust set up for her children. Her husband, Robert Worth Bingham, was Barry Bingham Sr.'s heir apparent until he died in an auto accident in the early '60s. Joan Bingham is not likely to sell, according to Sallie Bingham. Sallie said Joan wants her children to participate in the family companies.

"I very much want to keep this a family [owned] newspaper," said Joan Bingham in a telephone interview. She said she believes Sallie and Ansbacher have "skewed" information regarding the manner in which the Bingham family trusts are set up. And she believes a price of between \$82 million and \$92 million "is a laugh. I think it's just preposterous."

Barry Bingham Jr., who at 50 is the publisher of the newspapers

and holds another 18% of the family companies, also with portions in trust, has been on educational sabbatical in New England since September. Mr. Bingham "doesn't like newspapers," according to Sallie Bingham. Mr. Bingham could not be reached for comment.

"He's been carrying an enormous load," she said. "I think there's a chance he may look at this as a way out, [but] he'd have to get my father to agree."

And that may not be possible, she concedes. "My father is deeply committed to keeping it a family newspaper. His hope is to preserve the company for his seven grandchildren."

However, there are parents and lawyers who are charged with the duty of watching out for those grandchildren, and they're bound by fiduciary responsibility to run the trusts in the manner most beneficial for the trustees. That's what Ansbacher is counting on in its bid to get between \$82 million and \$92 million for Ms. Bingham's stock.

As explained by Christopher Shaw, managing director of Ansbacher, Ms. Bingham's 18% stake now generates \$300,000 a year in pretax dividends. If she got her price, and paid roughly \$25 million in tax, the \$60 million or so that she would net would generate nearly \$6 million annually in simple interest. That's a return 20 times greater than the stock is now producing, and Mr. Shaw believes the lawyers and family members who control the trusts are bound to consider that if a media company or other party makes an offer of \$420 million to \$470 million for the Bingham family holdings.

George Gill, president of the *Courier-Journal* & Times Co., explained that Mr. Bingham Sr. controls 77% of the voting stock in the companies (minus only Sallie's share), but that voting stock is applicable only to the election of the board. Another 18% of the voting stock is in a trust set up in 1937 upon the death of Mr. Bingham Sr.'s father, Robert Worth Bingham, also controlled by Mr. Bingham Sr.

Mr. Gill would not comment on the trusts set up by individual family members. He also would not comment on the possibility that an outsider could acquire the Bingham family companies.

Ms. Bingham believes that if a "white, middle-aged male" were to come to the Bingham with an offer, "I think there would be at



Sallie Bingham, rejected by her family as a director, may exact revenge if her broker can muster a \$420 million-plus offer for the three Bingham family companies, including the flagship *Louisville Courier-Journal*.

least a chance that my father and brother could deal."

Therein lies the base of the family feud.

"There is a profoundly sexist bias," said Ms. Bingham. "I don't think there's any other way to look at it."

The entire "ruckus," as she calls it, "has to do with the way families malfunction. I think nepotism doesn't work very well."

She does regret what the busi-

ness battle has done to her family.

"The family stopped communicating," she said. "There's a silent acrimony. My family, like a lot of southern families, does not argue verbally."

"All my father said to me is he's heartbroken. He didn't want to have to choose among the children."

But that doesn't mean he will yield, she said. "I think he will fight tooth and nail."

Dailies

(Continued from Page 3)

circulation gains since his News America Corp. bought the paper in the mid-'70s, experienced its largest circulation loss to date in the April 1, 1984, through March 31, 1985, period. The paper lost more than 60,000 daily sales during that period, a drop of 6.4%, to 901,313 daily sales.

The *New York Daily News*, the Post's primary competitor, posted a 1.1% increase in circulation between March 31 last year and the same date in 1985. The paper's circulation was up by roughly 15,000, to 1,390,955. The *Sunday News*, however, lost 2.2% of its circulation, now at 1,773,676.

The *New York Times* posted healthy increases in both daily and Sunday sales, with the daily figure up 4.4% to 1,013,211 and the Sunday figure up 1.9% to 1,623,562.

Times-Mirror Corp.'s *Long Island Newsday*, which also sells newspapers in New York, gained

roughly 9,000 daily sales, a 1.6% increase, to 542,073 from the March, 1984, FAS-FAX report, and added about 3,000 sales on Sundays, a 0.4% gain to 611,403.

In Chicago, the *Tribune* and *Sun-Times* each gained 1.7% in daily circulation from the year-ago period, with the *Tribune* reaching 775,664 and the *Sun-Times* hitting 639,187. Despite circulation promotion contests begun under the stewardship of Mr. Murdoch, who bought the paper in November, 1983, the *Sun-Times*' daily circulation still is below that posted two years ago, though it has increased in the last year.

On Sundays, the *Tribune* widened its lead with a 1.8% gain, to 1,165,605, while the *Sun-Times*' numbers were up 0.5%, to 690,904.

All three Los Angeles-area dailies posted small percentage circulation gains with the exception of the *Herald Examiner*, which lost 2.7% in Sunday circulation (now at 213,898), though gaining 0.3% daily, to 237,424.

The Times-Mirror flagship *Los Angeles Times* gained 1.1% daily, to

1,069,564, and 0.8% Sundays, to 1,332,138. *Tribune Co.*'s *Daily News* gained 2.7% daily (to 145,523) and 1.4% Sundays (105,119).

Mr. Murdoch's *Boston Herald* circulation was up 13.2% daily to 368,027 and up 11.7% Sundays to 308,823. The *Boston Globe*, owned by Affiliated Publications, posted a slight daily circulation increase to 542,073 daily and a 1.2% increase to 802,891 on Sundays.

In Washington, the *Washington Post* gained slightly in daily sales, now 771,253, and gained 2% on Sundays, now 1,065,782. The *Washington Times*, owned by the Unification Church, appeared in the audit report for the first time with a daily sales figure of 83,962.

The hotly contested Detroit paper wars saw Knight-Ridder's *Free Press* catching up with the rival *News* in daily circulation but suffering Sunday losses, in part due to a January price increase from 50¢ to 75¢. (The *News* followed suit in April, after the latest circulation reporting period.) The *News* gained 2.7% in Sunday numbers, to 884,763, while the *Free*

Press lost 1.1% Sundays, to 778,178.

Free Press numbers were up 2.4% daily, to 646,476, while the *News* also gained 1.5%, to 666,949. The *News* sells for a nickel more than its rival daily.

Newspapers in Texas markets showed combined net readership gains.

The *Dallas Morning News* dramatically widened its circulation lead over the Times-Mirror owned *Dallas Times-Herald*, with daily circulation at 368,883 and Sunday circulation at 476,004, showing 10% gains in both categories. The *Times-Herald*, meanwhile, lost 6% daily and 1% Sundays, finishing the March 31 period at 241,055 and 345,932, respectively.

In Dallas County circulation, the *News* overtook the *Times-Herald* on Sundays for the first time. (Previous-year numbers for both Dallas papers were adjusted by the ABC to reflect audited figures.)

The *Houston Post* did not report its figures by ABC's deadline, nor did the *Baltimore News-American* or the *Denver Post*.

The *Houston Chronicle*, how-

ever, gained 1.4% in daily circulation, to 433,580, and 1.2% on Sundays, to 536,585.

The Scripps Howard-owned *Rocky Mountain News* in Denver showed greater increases of 3.2% daily (to 329,381), and 4.6% Sundays, to 385,807. (Like Dallas, the March, 1984, averages for Denver also were adjusted to the ABC's audit.)

The *Baltimore Sun* posted a 4.8% increase in morning daily sales, now 194,426; a 5% loss in afternoon daily sales, now 155,475, and a 1.6% Sunday increase to 414,330.

The joint operating agreement between Chronicle Publishing Co. and Hearst Corp. in San Francisco registered gains at the morning *Chronicle*, up 2.8% to 554,979; a slight loss at the afternoon *Examiner*, now 151,758, and a 1.5% increase in the Sunday *Chronicle* & *Examiner*, now 717,426.

Across the bay in Oakland, publisher Robert Maynard posted the first circulation increase in years at the *Oakland Tribune*, which was up 1.5% daily to 150,336 and up slightly on Sundays to 156,944.